

Transmittal Sheet

W. J. "Bill" McCuen Secretary of State State Capitol Rm. 010 Little Rock, Arkansas 72201-1094

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| For Office Use Only: Effectiv | ve Date <u>3/)</u> | 194 | _ Code Num | ber <u>054.</u> | 00.94- | $-\bigcirc \bigcirc \overline{\nabla}$ |
| Name of Agency _ | ARKANSAS INS | URANCE DI | EPARTMENT | | | |
| Department | Legal Divisi | on | | | | |
| Contact Person | Jean Langfor | ·d | | | | |
| Statutory Authority | for Promulgat | ting Rule | es | | | |
| Re: Rule & Regulation Intended Effective Emergency | on 36: "Investr e Date Benefit Rule & | ments in las"; Running Regulation Legal | Medium Grade. ule & Regulat: un 62: "Pesell Notice Publis | "; Rule & Ro ion 61: "Insur ges for Funer: | rer Reports al Expense. | 0: "Apgelerated Act 166" " 10/11-26/93 |
| 20 Days After | Filing | Final [| Date for Pub | lic Comment | , | 12/3/93 |
| Other | | Filed \ | With Legislat | ive Council. | | 10/4/93 |
| | | Revie | wed by Legis | slative Cound | cil | 11/4/93 |
| | | Adopt | ed by State | Agency | | |
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| AR. RI 94 JUL W.J. "I SECRET | U | llon c | Signature | | <u>-</u> | |
| | | Chie | f Counsel Title | | _ | |
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RULE AND REGULATION 61 2 INSURER REPORTS OF ARKANSAS PROPERTY AND CASUALTY CLAIMS 3 EXPERIENCE PURSUANT TO ACT 166 OF 1993 4

SECTION

5 1. Purpose.

б 2. Authority and Scope. 7

3. Effective Date.

8 4. Reporting Requirements.

9 5. Severability.

- 10 SECTION 1. PURPOSE. The purpose of this Rule is to promulgate guidelines for licensed property and casualty insurers to follow in 11 reporting Arkansas claims experience, premium income, and other related 12 information on property and casualty policies and contracts; and to 13 specify the format and content of the reporting form for the annual 14 reports required by Act 166 of 1993. Further, the Arkansas Insurance 15 Department shall compile, publish and make available the reports as to 16
- any particular insurer and year to any interested insured or citizen or 17 their legal representatives. 18
- 19 SECTION 2. AUTHORITY AND SCOPE. This Rule is promulgated pursuant to the Commissioner's authority under Act 166 of 1993, and Ark. Code Ann. 20
- §23-61-108, §§25-15-201, et seq. under the Administrative Procedure Act, 21 22
- and other applicable laws. It is intended to apply to all licensed 23
- property and/or casualty insurers holding an Arkansas Certificate of 24
- Authority. It is not intended to apply to and shall not apply to foreign 25
- or alien registered risk retention groups, registered purchasing groups, 26
- automobile clubs or associations, or approved but not admitted surplus 27
- 28 SECTION 3. EFFECTIVE DATE. This Rule and Regulation shall be effective 29
- on August 1, 1994, upon filing with Arkansas Secretary of State and the 30
- Arkansas State Library, pursuant to the provisions of Ark. Code Ann. 31
- §§25-15-201, et seq., as amended by Act 1106 of 1993.
- SECTION 4. REPORTING REQUIREMENTS. (a) COMPILATIONS. Commencing on and 32 33
- after January 1, 1994, all licensed property and casualty if surers shall 34
- keep records of and compile the following data on its direct watings in 35
- this State, and in particular on all Arkansas loss claims reported and 36
- incurred but not reported as to personal and commercial policies and 37 38
- contracts covering Arkansas risks, including those multi-state policies
- 39
- covering Arkansas persons or properties, or activity polybusinessin 40 (b) REPORTING. (1) REPORT FORM. The reporting form as prescribed by the 41
- Commissioner, Form "AR 166" shall accompany the mailing of this Rule and 42
- Regulation to all licensed property and casualty insurers, and insurers 43
- shall duplicate the form and complete it for filing the annual reports 44
- coincident with the filing of their Annual Statement pursuant to Ark. 45
- The claims reports are due no later than March 1st 46
- annually, unless the Commissioner has granted a time extension for good 47
- cause shown, after receiving such written requests from the insurer in advance of the March 1st annual deadline. 48

- (2) DISKETTE FILINGS. In lieu of a hard copy report filing, filing of the annual reports required by this Rule and Regulation may be performed 2 by diskette filings, accompanied by a supporting hard copy, with the 3 advance permission of the Department. Insurers may secure a Lotus format diskette from the Department for use in filing reports by diskette 5 matching the prescribed format of Form AR 166, upon filing of a written б request therefor accompanied by a twenty dollar (\$20) distribution and 7 handling charge by company check or money order and payable to The State 8 Insurance Department Trust Fund pursuant to the provisions of Act 652 of 9 10 1993.
- 11 (3) FILINGS BY LICENSED RATE SERVICE OR ADVISORY ORGANIZATIONS. Pursuant 12 to Ark. Code Ann. §§23-67-116 (2) and (13), licensed rate service or 13 advisory organizations may file reports required by this Rule and 14 Regulation on behalf of a member or subscriber insurer.
- Timely written requests filed with the WAIVER OF REPORTS. 15 Commissioner before the due date asking his consideration for waiver of 16 the reporting requirements on an annual basis shall be considered and 17 granted for good cause shown for licensees under the following 18 circumstances: (1) Insurers currently under court-ordered conservation, 19 rehabilitation, or liquidation in their domiciliary states; (2) insurers 20 whose Arkansas Certificate of Authority has been suspended, expired or 21 revoked, or cancelled upon voluntary surrender; and (3) insurers under 22 orders of supervision or conservation issued by the domiciliary insurance 23 commissioner, director or superintendent. The Commissioner may grant 24 such waivers upon his own initiative by taking judicial notice of 25 property and casualty insurers under license suspensions or supervision 26 in any state, under a suspended or expired or revoked or cancelled 27 court-ordered conservation under any 28 license, or rehabilitation or liquidation in any state. 29
- Other than insurers who have obtained (d) "ZERO" REPORTS REQUIRED. 30 waiver of the reports from the Commissioner as described in Section (c) 31 above, property and/or casualty insurers with Arkansas Certificates of 32 Authority listing a "reinsurance only" restriction, and direct writers 33 with no direct-written Arkansas premiums in the reporting year, and 34 insurers with no Arkansas losses (incurred and reported, and incurred but 35 not reported) to report under Arkansas policies or contracts for the 36 reporting period, shall all nonetheless be responsible for and shall 37 continue to file the annual forms, but shall complete them by reporting 38 "zero" or "none" or other applicable notations under the appropriate 39 sections, and annotating the appropriate explanation on the form. 40
- (e) FIRST ANNUAL DEADLINE. The first Report due under Act 166 of 1993 shall be due no later than March 1, 1995, covering the 1994 calendar year reporting period.
- (f) PENALTIES. Any insurer failing to file the annual report when due in the absence of a time extension or waiver granted by the Commissioner, or any insurer filing a false or fraudulent report shall be deemed to have committed a Trade Practice violation under Ark. Code Ann. §23-66-205, §23-66-206 (5), and other applicable laws; and shall be subject to the

- penalties recited in Ark. Code Ann. §23-66-210, including suspension or revocation of the Arkansas Certificate of Authority, and monetary fines 2 and other applicable provisions of the Arkansas Insurance Code. 3
- (g) FILING FEES; DEPOSIT OF FEES AND FINES. The annual filing fee shall be \$50 per insurer pursuant to the provisions of Act 652 of 1993. 5 6
 - Insurer holding companies shall not file a consolidated report. All such
- filing fees are payable by company check, money order, and/or cashiers or 7
- certified check, and shall be payable to The State Insurance Department 9
- Trust Fund ("Trust Fund"). Upon collection the Commissioner shall 10
- immediately deposit all such fees into The Trust Fund as special revenues. Fines and other monetary penalties shall be deposited as other 11 12
- applicable Arkansas laws provide.
- 13 (h) COMMISSIONER'S ANNUAL PUBLICATION. 14
- and make available to the public the reports filed by each licensee as 15
- required by Act 166 of 1993 and the provisions of this Rule. 16
- Commissioner shall also file copies annually with the Governor of the 17
- State of Arkansas, the Arkansas Legislative Council, the Arkansas 18
- Secretary of State, the Arkansas State Library, and the National 19
- Association of Insurance Commissioners. Fees payable to obtain the 20
- annual reports shall be made payable to the The State Insurance 21
- Department Trust Fund by personal check, cashiers or certified checks, 22
- money orders or cash. Upon collection, the Commissioner shall deposit 23
- such payments immediately into The Trust Fund.
- SECTION 5. SEVERABILITY. Any section or provision of this Rule held by 24 25
- a court to be invalid or unconstitutional will not affect the validity of 26
- any other section or provision of this Rule.

27 28

LEE DOUGLASS 29 INSURANCE COMMISSIONER 30

STATE OF ARKANSAS

31 -21-9 32 DATE

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